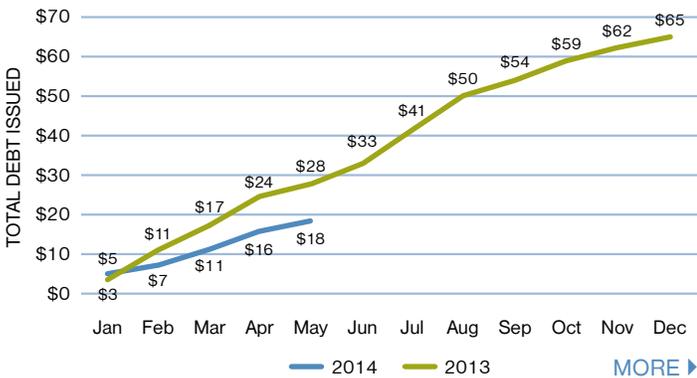


## California Public Debt Issuance Monthly Data

CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)



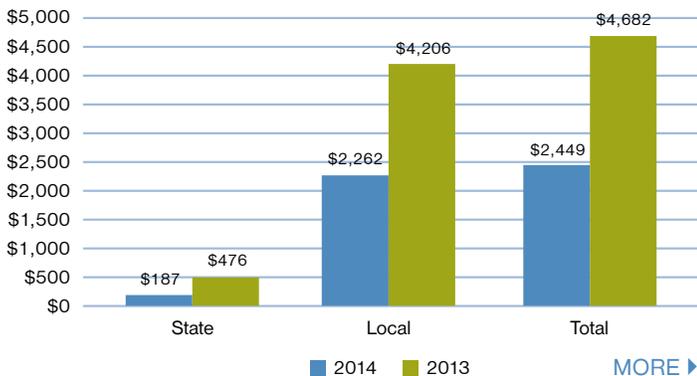
[MORE ▶](#)

CALIFORNIA PUBLIC DEBT ISSUANCE, MAY (IN MILLIONS)



[MORE ▶](#)

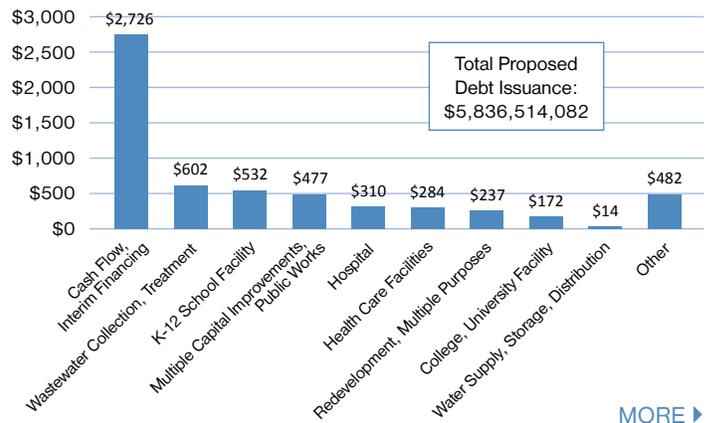
STATE\* VERSUS LOCAL DEBT ISSUANCE, MAY (IN MILLIONS)



[MORE ▶](#)

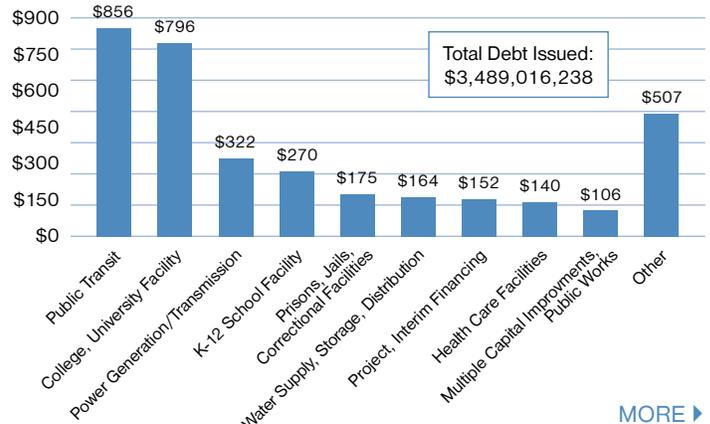
\* State issuers include the State of California, its agencies, commissions, authorities, departments and The Student Loan Corporation.

REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 5-16-2014 THROUGH 6-15-2014, BY PURPOSE (IN MILLIONS)



[MORE ▶](#)

TOTAL REPORTS OF FINAL SALE RECEIVED 5-16-2014 THROUGH 6-15-2014, BY PURPOSE (IN MILLIONS)



[MORE ▶](#)

More detailed debt issuance information is available in the monthly [Debt Line Calendar](#).



## INSIDE THIS ISSUE

Municipal Market Regulatory Activity	<a href="#">2</a>
Data Corner	<a href="#">3</a>
Commission Maintains Existing CDIAC Fee Structure	<a href="#">5</a>
Save the Date	<a href="#">5</a>



CALIFORNIA  
DEBT AND  
INVESTMENT  
ADVISORY  
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JOSÉ CISNEROS  
Treasurer and Tax Collector  
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**Executive Director:**

MARK B. CAMPBELL

*Debt Line* is published monthly by the California Debt and Investment Advisory Commission (CDIAC).

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*Debt Line* publishes articles on debt financing and public fund investment that may be of interest to our readers; however, these articles do not necessarily reflect the views of the Commission.

Business correspondence and editorial comments are welcome.

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# MUNICIPAL MARKET REGULATORY ACTIVITY

Below are current MSRB or SEC events and activities related to the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act.<sup>1</sup>

## UPDATES TO MAY

- 14** The Government Finance Officers Association (GFOA) published model language for municipal issuer officials to use when interacting with broker-dealers and other entities under the municipal advisor rule.
- 15** The Governmental Accounting Standards Board (GASB) issued for public comment a proposed statement addressing accounting and financial reporting issues related to fair value measurements. Comments are due August 15, 2014.

## UPDATES TO JUNE

- 5** SEC published the “Short Sale Position and Transaction Reporting” report for congressional review.
- 6** MSRB filed with the SEC a proposed rule consisting of amendments to Rule G-3, Rule G-7, and Rule G-27 to limit and define the scope of limited-representative investment companies and eliminate the Financial and Operations Principal classification.
- 9** MSRB launched a new price discovery tool on their Electronic Municipal Market Access (EMMA) website

to help investors gauge the trade price of bonds more quickly and easily.

- 16** MSRB began surveying registered municipal advisors to inform the development of a professional qualification examination for municipal advisors. The survey will continue until early July.

## JULY

- 1** SEC final municipal advisor rule went into effect and the first set of municipal advisors must be registered with the SEC.
- 1** Comments were due to the SEC on the proposed rule for recordkeeping, reporting, and notification requirements for security-based swap dealers and major security-based swap participants, securities count requirements applicable to certain security-based swap dealers, and additional recordkeeping requirements for broker-dealers to account for their security-based swaps and swap activities. The SEC is also proposing an additional capital charge provision for security-based swap dealers.
- 7** MSRB Rule G-30, which consolidates dealers’ fair-pricing obligations, became effective.
- 29** MSRB will host an education and outreach seminar in Chicago, IL. Sessions will cover municipal advisor regulation, improving transparency of municipal bond prices, and the availability of educational resources for state and local governments that issue bonds. The registration deadline is July 23, 2014. **DL**

<sup>1</sup> Municipal Securities Rulemaking Board, “Rules and Interpretations”, [www.msrb.org/Rules-and-Interpretations/MSRB-Rules.aspx](http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules.aspx)

Municipal Securities Rulemaking Board, “SEC Filings”, [www.msrb.org/Rules-and-Interpretations/SEC-Filings/2014-Filings.aspx](http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2014-Filings.aspx)

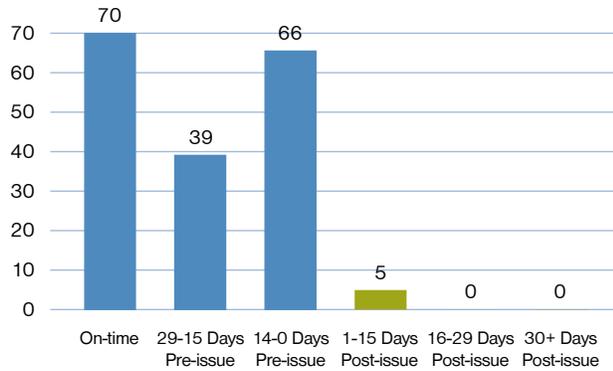
U. S. Securities and Exchange Commission, “Dodd-Frank Spotlight”, [www.sec.gov/spotlight/dodd-frank.shtml](http://www.sec.gov/spotlight/dodd-frank.shtml)

# DATA-CORNER

A MONTHLY UPDATE FROM CDIAC'S DATA COLLECTION AND ANALYSIS UNIT

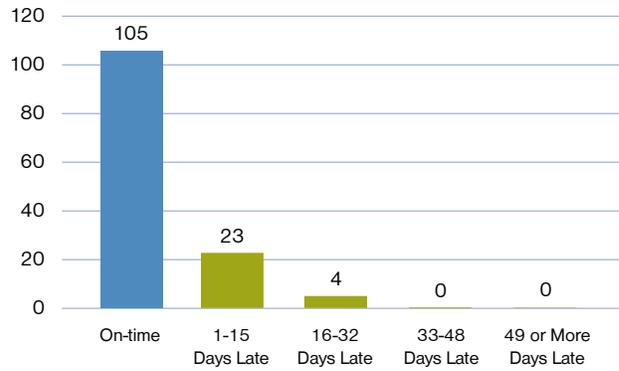
## TIMELINESS OF SUBMITTAL OF REPORTS

REPORTS OF PROPOSED DEBT ISSUANCE (RPDIs)\*  
RECEIVED MAY 2014



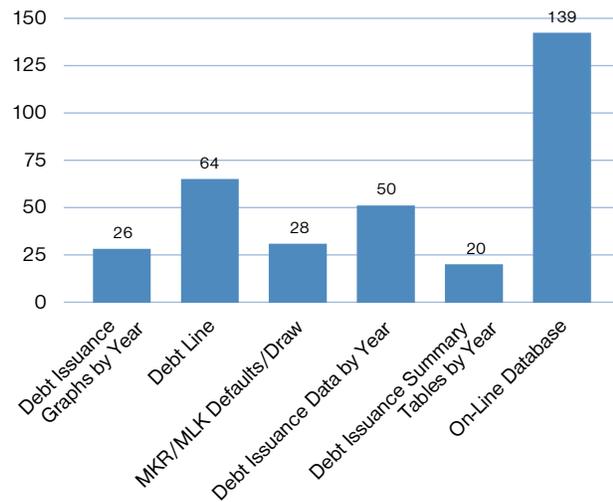
\* California Government Code Section 8855(h)(3) states that RPDIs must be submitted no later than 30 days prior to issuance.

REPORTS OF FINAL SALE (RFSs)\*  
RECEIVED MAY 2014



\* California Government Code Section 8855(j) states that RFSs must be submitted within 45 days of the signing of the bond purchase contract (negotiated or private financing) or the acceptance of a bid (competitive offering).

## ONLINE ACTIVITY MAY 2014



## DATA UNIT ACTIVITY MAY 2014

- ✓ Received and processed 180 Reports of Proposed Debt Issuance (RPDIs)
- ✓ Received and processed 132 Reports of Final Sale (RFSs)
- ✓ Mailed 85 invoices for payment of debt issuance fees
- ✓ Received 18 Marks-Roos Yearly Fiscal Status Reports (YFSRs) for FY 2012-2013
- ✓ Received 1 Mello-Roos Yearly Fiscal Status Reports (YFSRs) for FY 2012-2013
- ✓ 327 Internet hits on data pages

DL

# Mello-Roos and Marks-Roos Reporting Requirements

Issuers with outstanding bonds issued pursuant to the Mello-Roos Community Facilities Districts Act and Marks-Roos Local Bond Pooling Act are required by statute to report certain bond related information to the California Debt and Investment Advisory Commission (CDIAC). Described in this article are the annual and periodic reporting requirements for issuers of Mello-Roos and Marks-Roos bonds.

## YEARLY FISCAL STATUS REPORTS (YFSRs)

**MELLO-ROOS REPORTS.** Community Facilities Districts (CFDs) issuing Mello-Roos Bonds on or after January 1, 1993 are required to annually file with CDIAC no later than October 30<sup>th</sup> a Yearly Fiscal Status Report (YFSR).<sup>1</sup>

The 2013-14 USFR report covers Mello-Roos bonds that were issued on or after January 1, 1993 through June 30, 2014 and contains specific information on each financing, including fund balances, assessed values, tax collection and reported delinquencies. Issuers are required to file the annual Mello-Roos YFSR until the bonds have matured or been redeemed.

**MARKS-ROOS REPORTS.** Bonds which were issued under the Marks-Roos Local Bond Pooling Act on or after January 1, 1996 and, which used the bond proceeds to make one or more loans to local agencies or to purchase the bonds of one or more local

agencies, are also required to annually file an YFSR with CDIAC no later than October 30<sup>th</sup>.<sup>2</sup> The 2013-14 report covers bonds issued on or after January 1, 1996 through June 30, 2014. Information contained in the report includes the principal amount of bonds outstanding for the authority bonds, initial and outstanding loan balances for any loans made with Marks-Roos bond proceeds, principal amounts of local obligations purchased with Marks-Roos bond proceeds, reserve fund balance, and administrative fees paid and collected. Annual Marks-Roos reporting is also required until the bonds have matured or been redeemed.

To facilitate this mandatory reporting, CDIAC has developed a YFSR for each type of bond. These reports may be submitted electronically using CDIAC's online reports. The Data Collection and Analysis Unit (Data Unit) mails courtesy reminders annually by August 31<sup>st</sup> to all issuers of Mello-Roos and Marks-Roos bonds identified in the CDIAC debt issuance database.

## DRAW-ON-RESERVE AND DEFAULTS

Issuers of both Mello-Roos and Marks-Roos bonds are also required to report any defaults or draws on reserve to CDIAC.<sup>3</sup> Notification to CDIAC must occur within ten days of the default or draw on reserve. Unlike the YFSR, reporting of a default or draw on reserve applies to all Mello-Roos and Marks-Roos bonds regardless of issuance date.

MELLO-ROOS issuers are required to report either:

- A failure to pay principal and interest on a scheduled payment date, or

- A withdrawal from a reserve fund to pay principal and interest on the bond, if the withdrawal reduces the reserve fund below the required reserve amount.

MARKS-ROOS authorities are required to report either:

- A failure to pay principal and interest on a scheduled payment date, or
- A withdrawal from a reserve fund to pay principal and interest on bonds issued by the authority or any bonds acquired by the authority, if the withdrawal reduces the reserve fund below the required reserve amount.

Although not statutorily required, CDIAC issuers may voluntarily report to CDIAC the replenishment of reserve funds, as well.

CDIAC developed the Mello-Roos/Marks-Roos Draw on Reserve/Default Filing Form to facilitate reporting. All draws on reserve and/or defaults may be filed using our online form, which can be accessed using the issue's CDIAC Number and password. Although electronic filing capability for the voluntary replenishment of draw on reserve is under development, issuers may use the mail-in version of the Draw on Reserves/Default report to complete this filing. Access to the online reporting portal and all reporting forms, instructions and reporting requirements, is available on the CDIAC website under "Reporting Debt Issuance" at [www.treasurer.ca.gov/cdiac/reporting.asp](http://www.treasurer.ca.gov/cdiac/reporting.asp).

Requests for filing assistance or additional information can be made by email to the Data Unit at [cdiac\\_issuance@treasurer.ca.gov](mailto:cdiac_issuance@treasurer.ca.gov) or by contacting the Data Unit at (916) 653-3269.

DL

<sup>1</sup> Government Code Section 53359.5(b)

<sup>2</sup> Government Code Section 6599.1(b)

<sup>3</sup> Government Code Section 53359.5(c) and 6599.1(c)

## Commission Maintains Existing CDIAC Fee Structure

The California Debt and Investment Advisory Commission (CDIAC) met on June 10, 2014 in Sacramento. The Commission, chaired by the State Treasurer has historically met once a year just prior to the start of the new fiscal year to address program and administrative issues. This year's meeting covered CDIAC's activities during fiscal year 2013-14 and plans for research, education, and data collection in the upcoming fiscal year.

The Commission also took action enabling the Executive Director to enter into contracts, purchase orders and service order agreements, within specified limits, on behalf of the Commission. The delegation applies to fiscal year 2014-15.

Among other topics addressed at the meeting was the CDIAC Reporting Fee Schedule. On July 14, 2010, the Commission approved Resolution 10-03, establishing the fees payable by the lead underwriter or purchaser of public debt issued in California. This reporting fee is authorized under Government Code Section 8856. Resolution 10-03 set the reporting fee for short-term public debt—debt maturing in 18 months or less—at \$150 per issue for all debt issued July 1, 2010 or later. Long-term public debt is assessed a fee equal to 1.5 basis points (0.00015 percent of principal issued) not to exceed a maximum fee of \$3,000 per issue. Resolution 10-03 established this fee schedule in perpetuity, subject to an action taken by the Commission to change it. Since the Commission did not take an action to change the fee schedule, the existing fee structure remains in place.

The meeting agenda along with information presented to the commission are available on CDIAC's website: [CDIAC Meetings](#). **DL**

# SAVE THE DATE

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## CDIAC Webinars, Seminars, and Conferences

### AUGUST

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AUGUST 7, 2014

**WEBINAR** Intermediate Bond Math Part 1:  
Bond Cash Flows Literacy  
[www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

AUGUST 20, 2014

**WEBINAR** Intermediate Bond Math Part 2:  
Economics and Structures  
[www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

## CDIAC Collaborative Workshops

### SEPTEMBER

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SEPTEMBER 18, 2014

Special Assessments: New Approaches  
for Achieving Successful Outcomes  
UC Davis Extension  
Sacramento, CA  
[www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

SEPTEMBER 23, 2014

Special Assessments: New Approaches  
for Achieving Successful Outcomes  
UCLA Extension  
Los Angeles, CA  
[www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

### OCTOBER

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OCTOBER, 8 2014

Pre-conference at *The Bond Buyer's*  
24<sup>th</sup> Annual California Public Finance  
Conference: Direct Lending in the  
Municipal Market: Financial and  
Transactional Considerations  
San Diego, CA  
[www.bondbuyer.com](http://www.bondbuyer.com)

Additional information is available online  
[www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

## Other Seminars and Conferences

### JULY

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JULY 27-30, 2014

Association of Public Treasurers  
of the US & Canada  
49<sup>th</sup> Annual Conference  
Salt Lake City, UT  
[www.aptusc.org](http://www.aptusc.org)

### AUGUST

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AUGUST 9-13, 2014

National Association of State Auditors,  
Comptrollers and Treasurers  
Annual Conference  
Santa Fe, NM  
[www.nasact.org](http://www.nasact.org)

AUGUST 20-22, 2014

California Association of Sanitation Agencies  
59<sup>th</sup> Annual Conference  
Monterey, CA  
[www.casaweb.org](http://www.casaweb.org)

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Organizations may submit information on future educational seminars, meetings, or conferences by contacting CDIAC at 915 Capitol Mall, Room 400, Sacramento, CA 95814, calling (916) 653-3269, faxing (916) 654-7440, or emailing [cdiaceducation@treasurer.ca.gov](mailto:cdiaceducation@treasurer.ca.gov). Publication of announcements is subject to space limitations.

# SAVE THE DATE

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## SEPTEMBER

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SEPTEMBER 3-5, 2014

League of California Cities  
Annual Conference and Expo  
Los Angeles, CA  
[www.cacities.org](http://www.cacities.org)

SEPTEMBER 7-10, 2014

National Association of State Treasurers  
Annual Conference  
Mackinac Island, MI  
[www.nast.net](http://www.nast.net)

SEPTEMBER 11-12, 2014

Government Finance Officers Association  
Essentials of Debt Financing  
and Management  
Sacramento, CA  
[www.gfoa.org](http://www.gfoa.org)

SEPTEMBER 13-16, 2014

American Planning Association California  
Chapter, 2014 Conference  
Anaheim, CA  
[www.apacalifornia.org](http://www.apacalifornia.org)

SEPTEMBER 17-19, 2014

National Association of Bond Lawyers  
39<sup>th</sup> Annual Bond Attorneys' Workshop  
Chicago, IL  
[www.nabl.org](http://www.nabl.org)

SEPTEMBER 29-  
OCTOBER 2, 2014

California Special Districts Association  
Annual Conference  
Palm Springs, CA  
[www.csda.net](http://www.csda.net)

## OCTOBER

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OCTOBER 8-10, 2014

National Association of Independent  
Public Finance Advisors  
Annual Conference  
Portland, OR  
[www.naipfa.com](http://www.naipfa.com)

OCTOBER 14-17, 2014

California Municipal Revenue  
and Tax Association  
Training Conference  
Pleasanton, CA  
[www.cmtrta.org](http://www.cmtrta.org)

OCTOBER 27-29, 2014

California Coalition for Adequate School  
Housing, Fall Conference &  
Pre-Conference Workshop  
Newport Beach, CA  
[www.cashnet.org](http://www.cashnet.org)

## NOVEMBER

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NOVEMBER 4-7, 2014

California State Association  
of County Auditors  
Fall Conference  
San Luis Obispo, CA  
<http://calsaca.org>

NOVEMBER 12 - 14, 2014

Municipal Management Association  
of Southern California  
Annual Conference  
San Diego, CA  
[www.mmasc.org](http://www.mmasc.org)

NOVEMBER 18 - 21, 2014

Council of Development Finance Agencies  
National Development Finance Summit  
Scottsdale, AZ  
<http://cdfa.net>

## DECEMBER

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DECEMBER 2-5, 2014

Association of California Water Agencies  
Fall Conference & Exhibition  
San Diego, CA  
[www.acwa.com](http://www.acwa.com)

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